

Saskatchewan co-operative products

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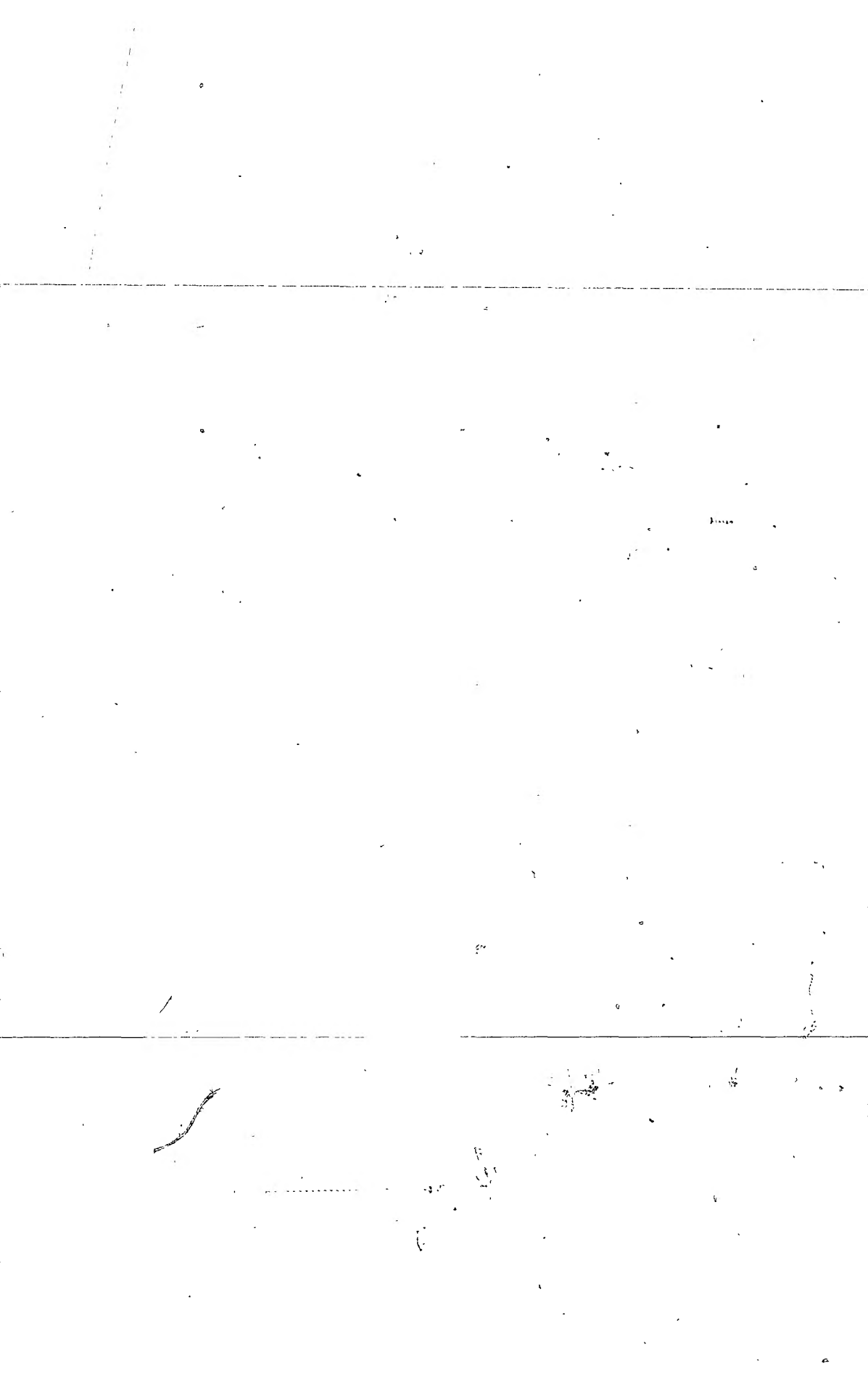
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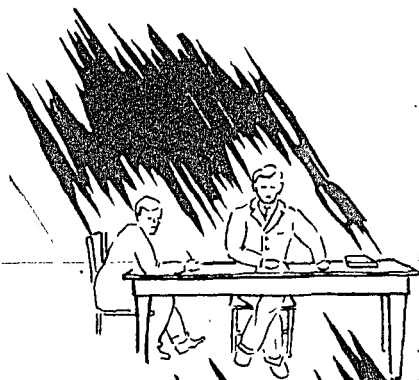
**SASKATCHEWAN
WHEAT POOL**

Published by

**SASKATCHEWAN CO-OPERATIVE
PRODUCERS LIMITED**








Farmers did not get to his feet and
they did not get to their feet, his own
people did not get to those of his
people. They were denying the
evidence of the fact that farmers
bested the government.

"Deep Furrows,"
the Banks Moorhouse.

These words were written about the farmers' movement in 1902 at
which the Territorial Farmers' Association was organized.
This was the "call to arms" from which the farmers' movement
of farm organization in Saskatchewan began.





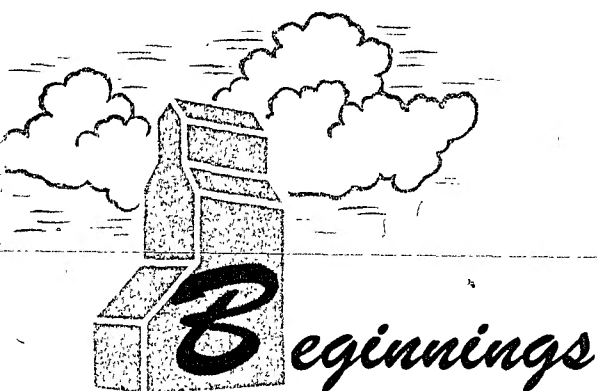
FOREWORD

It is twenty-five years since Saskatchewan farmers formed the Wheat Pool and so began an experiment in democratic self-help that has had far-reaching consequences for Saskatchewan people and has, from the first, attracted world-wide interest and admiration.

In those twenty-five years the world has experienced, in violent succession, boom, bust, drought, depression and war. Always, Saskatchewan farmers have felt the full impact of new conditions because the wheat they produce is sold on a world market.

The value, under such circumstances, of a farmer organization built on co-operation and informed opinion, can scarcely be exaggerated. In the Saskatchewan Wheat Pool farm people have had such an organization, and they have it today. The Wheat Pool has a past full of accomplishment and a future full of promise.

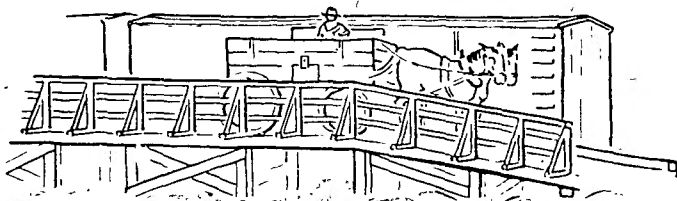
John H. Wesson
President,
Saskatchewan Co-operative
Producers Limited.



Even before Saskatchewan had been created a province of the new Dominion of Canada, pioneer farmers in the "territories" had established the beginnings of a tradition of co-operation and organized action that has survived and flourished until the present day. One of their first achievements was the creation of the "Territorial Grain Growers."

Soon afterward, in 1906, the first farmers' grain company was organized, on co-operative principles. In 1911 the Saskatchewan Co-operative Elevator Company made its appearance. By this time there was no doubt whatever that farmers were destined to play a permanent role in the marketing of their products.

By the beginning of the first World War, the men who produced the wheat that was making Canada "the bread basket of the Empire" could already look back upon an eventful history of co-operative expansion and lively battles against monopoly and exploitation.





The first grain-handling facility built by the farmers.

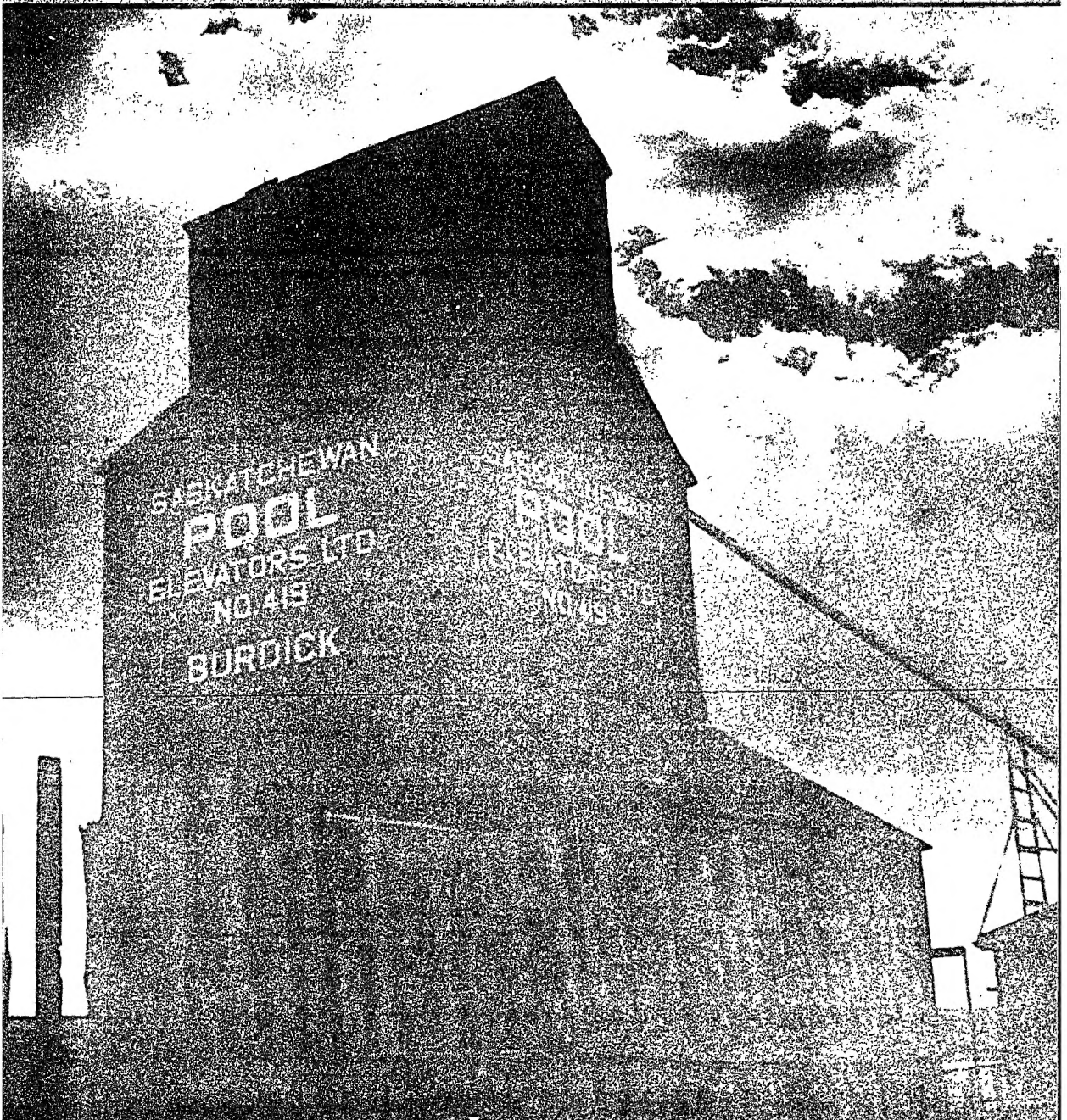
Then, as now, the Western farm movement was the work of free men:—men who had settled in a land of liberty and great promise and were determined that the promise should be fulfilled. These men saw from the first that their hopes and dreams would come to nothing unless they were prepared to "take up arms against a sea of troubles."


Already, before the Wheat Pool appeared on the scene, farm people in the three prairie provinces had seen enough of the speculative system of grain marketing to know that something better had to be found—and could be found.

A better system of marketing grain, a system that offers some hope of providing fair and stable prices for the farmers' produce, is one of the great accomplishments of western farmers, acting through their Wheat Pools.

Another is the building of a vast grain handling system, composed of elevators and terminals, solely in the interests of its farmer owners. There are many other accomplishments of no small importance, but these two stand out.

It was not long after the Wheat Pool was formed that the Pool elevator became a familiar and heartening symbol of farmer unity.



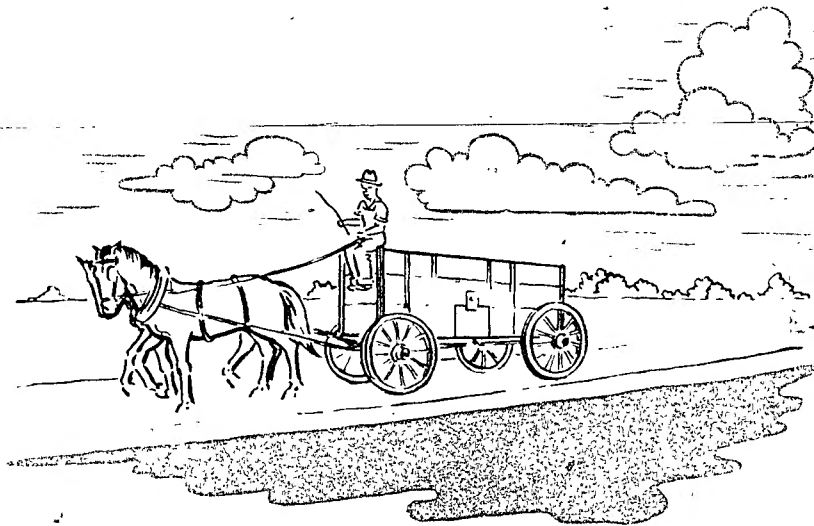


Under Way

It was in 1919 that the marketing of the wheat crop was for the first time taken out of the hands of private speculative grain trade interests. In that year the first Canadian Wheat Board was created and made sole marketing agency for the 1919 crop. The government took this action because the strains of war made an orderly procedure for marketing the crop essential—just another example of the inadequacy of the speculative system, unmistakably obvious whenever a period of stress appears.

The Wheat Board lasted just one year—not long, but long enough to show farmers that fair stable prices for wheat, equalized for every producer over the marketing period, were possible. And if further proof were needed, the return of futures trading in wheat was quickly followed by a large and disastrous price decline.

Insistent demands by farmers that the government reinstate the Wheat Board met with no response.



Wheat producers in all three prairie provinces decided that, however great the difficulties, they must try to do the job themselves. And so the Wheat Pools were born.

Alberta got under way first, in 1923, to be joined the following year by Saskatchewan and Manitoba. Many said it would not be possible to sign up under contract 50 percent of the acreage in each province, the minimum considered necessary for an effective experiment in orderly marketing by a voluntary farmers' organization.

But the doubters did not understand how deeply and widely held were the convictions of producers on this matter. The goals were met, in a great wave of faith and enthusiasm, and through a central selling agency in Winnipeg, the three Wheat Pools launched upon their great experiment in the pooling of wheat, and its orderly sale throughout the season direct to the ultimate buyer!

The new Saskatchewan Wheat Pool, or, more officially, Saskatchewan Co-operative Wheat Producers Limited, was founded upon democratic principles of ownership and control that have kept it, for 25 years, the true servant of its farmer-members, who today number in excess of 100,000.



The Wheat Pool is governed by delegates (166 today), who are elected annually by their neighbouring Wheat Pool members. Elections are by secret mailed ballot and each member has one vote and one vote only, and holds one share, the cost of which is nominal (\$1).

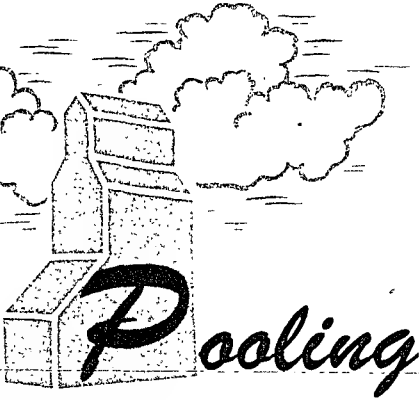
Earnings are distributed, as in all true co-operatives, on the basis of patronage, and there are no dividends on share capital.

The Directors of the Wheat Pool are chosen from among the ten or eleven delegates in each of sixteen districts of the province. Delegates in each district elect a director from among their own number.

Finally, and most important, the democratic set-up of the Wheat Pool organization is given meaning because the spirit of the membership is democratic. Belief in democracy, and the will to practice it, are more important than rules laid down in the articles of association.

Since the early days of pooling, regional co-operative schools like this one have been a potent educational force.

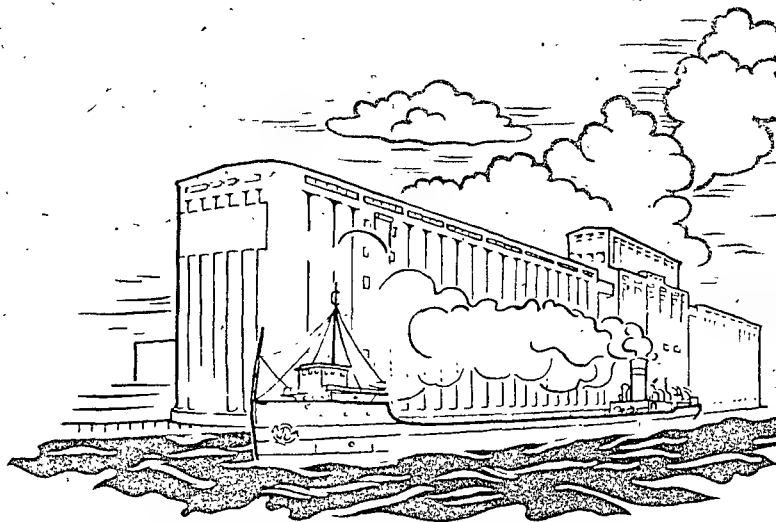




1924 . . . 1925 . . . 1926 . . . 1927 . . . Pooling was a success! Each year farmers marketing their grain through the Pools received an initial payment, and depending upon grade each man received the same initial payment. When the crop was sold, the full proceeds, less expenses, were returned to the grower. Careful studies show that the average price to farmers marketing through the Pools was better than the average open market price—and fairer. The Pool's customers liked the system too, and agents of the western wheat producer were established in many countries.

1928 . . . An all-time record crop of wheat in Canada put the Pools to the test with a vengeance, and the result was pooling's greatest triumph. Few doubt that without the Pool's stabilizing influence in the market that year, demoralization would have been inevitable.

The pooling years also saw the foundations of today's great Wheat Pool organization firmly laid.



It was during those years that a province-wide system of Pool elevators was established. Financed by the willing contributions of Pool members and operated on strictly co-operative principles, this system is the final guarantee that the farmer will always be able to receive the best in elevator service—at cost. It consists today of more than 1,100 country elevators, and three great terminals with lakehead storage for over seventeen million bushels of grain.

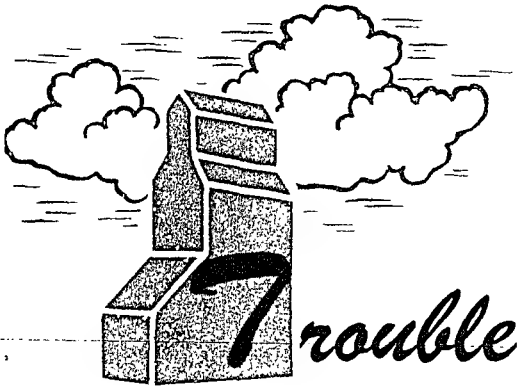
The necessity that growers should be in close and continuous contact with their organization was recognized from the first, and the result was a province-wide system of locally elected Wheat Pool Committees. The committee system of country organization, together with control of the organization by delegates elected annually from the district where they live, has made it certain that the policies and activities of the Wheat Pool will always reflect the needs and desires of the farm people of the province.

The pooling years saw many advances made in the interests of a better and fairer return to the farmer. Handling spreads were reduced, and a general improvement was seen in conditions of grain buying and handling in the country due to the existence of the Pool elevator system. Due to Wheat Pool action settlement for mixed grains on a separation basis was provided. The Pool introduced the automatic sampler at terminals, a real advance in methods of grain handling. For the protection of growers, Saskatchewan Pool Elevators Ltd. established its own inspection service at Winnipeg, to double check grain going through. This service alone has meant millions of dollars to western farmers.

Trouble was on the way—world-wide trouble from which the Pool would not escape unscathed. But the Wheat Pool had become part of the daily lives of its farmer-members in Saskatchewan—a great commercial organization, owned democratically so that it could serve, in all possible ways, the needs of farm people.

Original delegates and still delegates today. From left to right: Back row—Marsh Adams (23) director, A. F. Bennett (23) director, P. A. Stewart (35) delegate, John McCann (29) delegate, front row—J. J. Howard (23) delegate, J. H. Wason (16-5) president, C. W. Gray (21) director.

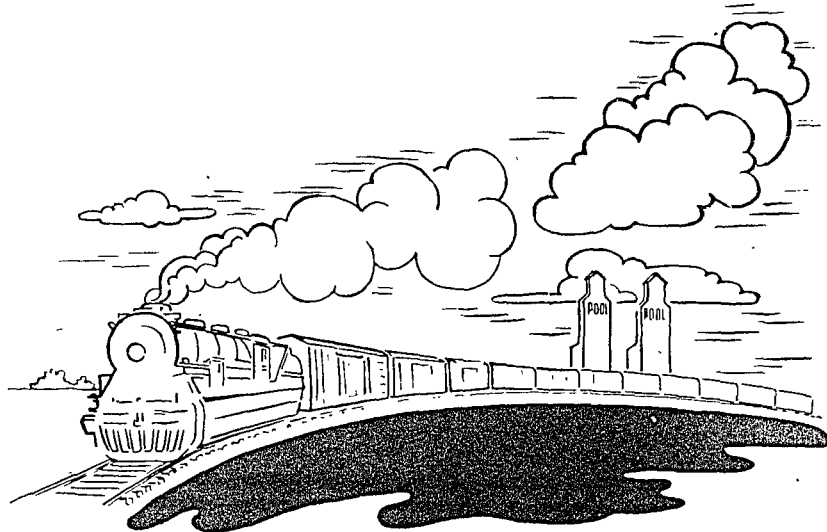




1929 . . . Though no one knew it yet, the Great Depression was at hand, and it would be well over ten years before farm people would again be making anything approaching a living wage.

Even with an initial payment of considerably less than two-thirds the market price as at the beginning of the crop year, the 1929-30 Pool was caught in the violent contraction of markets, and sharp rise of tariff barriers, import quotas and milling restrictions that the year brought with it. The result was a huge financial loss to the organization, when the crop could not be marketed at a price equal to the initial payment which had gone to the Pool member at the time he delivered his grain.

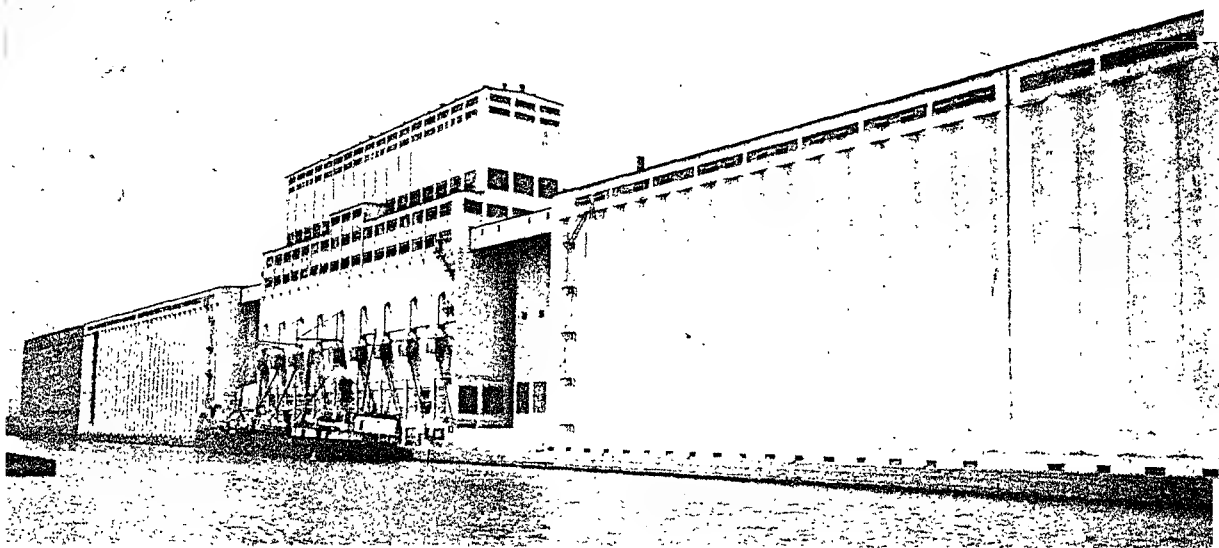
The Wheat Pool has been able to shoulder the burden of repaying the loss incurred in this year, because it had its great elevator system, backed up by the loyalty and determination of the Wheat Pool membership.



The loss on the overpayment amounted to \$13 $\frac{3}{4}$ million. To repay this money to the banks, the assistance of the Government of Saskatchewan was asked for and obtained. A bond issue was floated, and the Wheat Pool agreed to retire the issue by payments amortized over a twenty-year period. These payments have been fully kept up, and the debt is now almost entirely paid off. The whole operation has been carried out without cost to the taxpayers of the province.

In other directions the Wheat Pool continued to make progress. An outstanding event of 1930 was the extensive revision of the Canada Grain Act. Many of the improvements in the new Act were adopted on the recommendation of the Saskatchewan Wheat Pool, acting with its sister organizations in Alberta and Manitoba. These changes included the restriction of terminal mixing, the right of the farmer to designate the terminal to which he wished to ship, and improvement of car order book regulations. Improvements of this type, undramatic though they may be, have continued steadily throughout the years in response to farmer demands. In sum they have meant huge economies to western growers.

Saskatchewan Wheat Pool terminal 7 at Port Arthur. The dark portion on the left end is a newly completed 2,000,000 bushel annex.

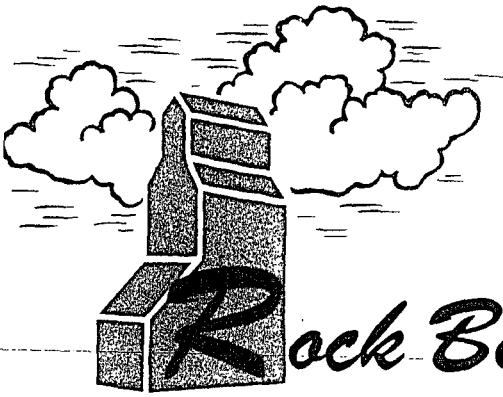




The Head Office building of the Wheat Pool in Regina. A big staff is needed to take care of the farmer's business.

The crisis in the history of the Wheat Pool that came in the 1929 crop year was part of the crisis that engulfed the world at that time. But it had its special features, which were a result of the special problems of the world wheat trade. Then, as today, the future of the Canadian wheat producer depends partly on there being a reasonable general level of prosperity in the world, and partly upon arriving at a successful method of marketing wheat in an orderly fashion through international agreement. Under a speculative system the farmer cannot hope that general prosperity will protect wheat markets from collapse, and collapsing wheat markets will in turn endanger the prosperity of the whole economy.

1929 and 1930, and the years that followed, showed the Saskatchewan farmer, by hard example, exactly what he was up against. And through his Wheat Pool organization he continued his long fight for a fair and secure living standard.

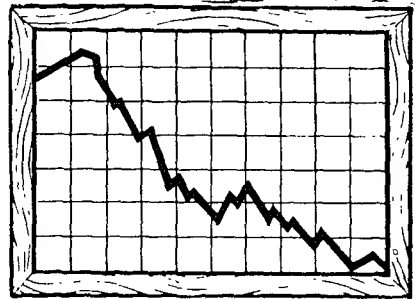


Rock Bottom

For one more year, 1930-31, full-scale pooling was carried on by Wheat Pool members, an extremely difficult operation on a falling market. The next year growers were released from their contracts because market conditions were so bad that only a pitifully inadequate initial payment could be made with any degree of security. Voluntary pools were maintained, however, for those who desired to use them.

1931...1932...1933...1934... these were black days for the farmers of Western Canada. It was, in December of 1932 that the price for the best western wheat reached the low point of 38 cents, and many farmers angrily refused to sell grain at prices which were almost literally no prices at all.

Low prices were accompanied by small crops, and the Pool organization, too, felt the pinch. Expenses had to be reduced, but essential activities were maintained. Now, more than ever, there was a job to be done.

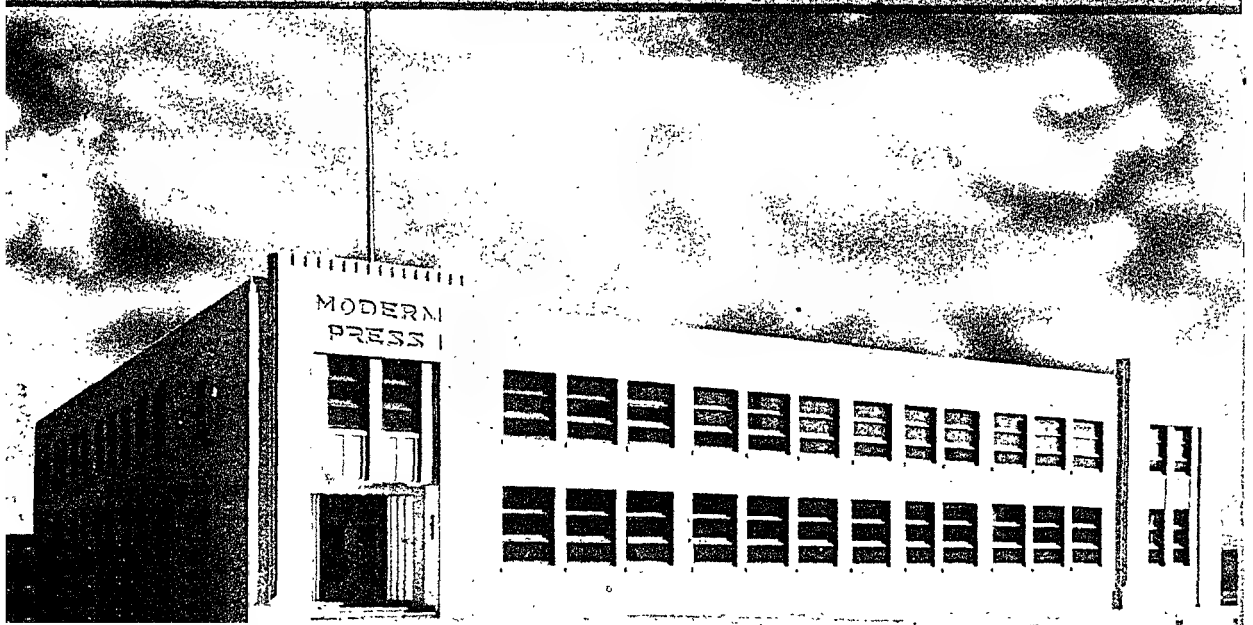


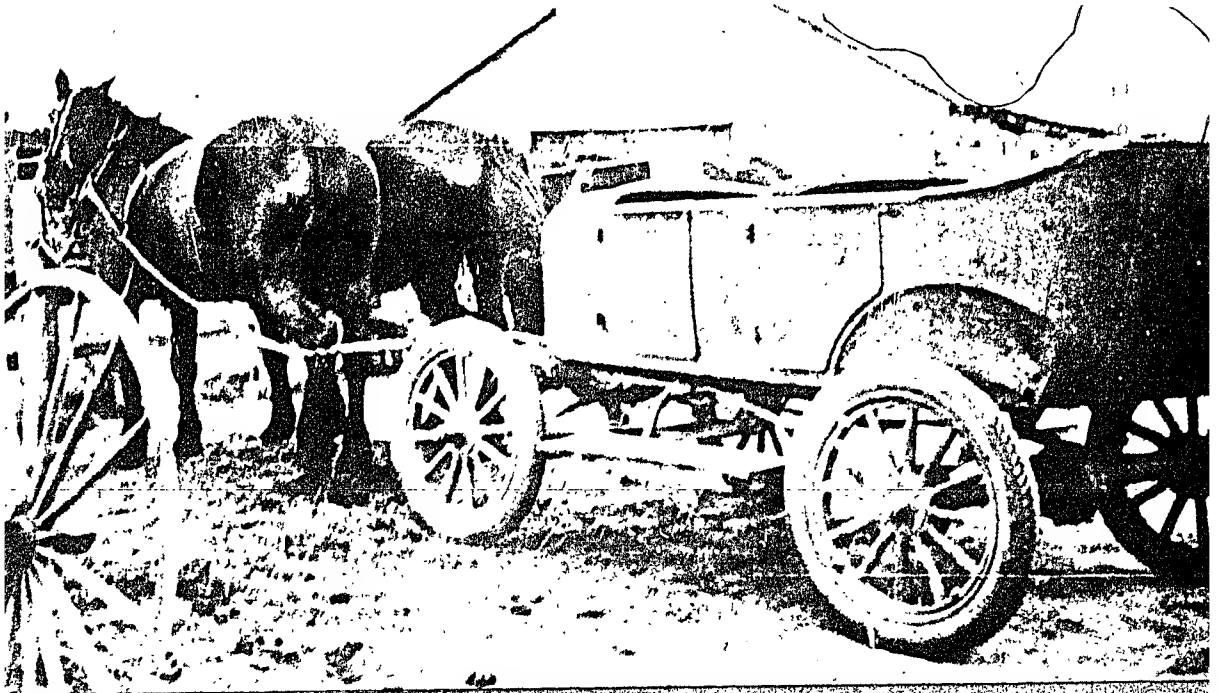
Understanding the importance of having a press outlet through which farm opinions and problems could be expressed and discussed, the Wheat Pool acquired the Western Producer. This weekly farm paper, which had given understanding and support to the needs of farmers, was not making a money profit, but was performing a service for agriculture that could not be judged by the profit standard, and it was rescued from collapse.

The Wheat Pool renewed the demand that wheat be marketed exclusively by a national marketing agency paying farmers a minimum price that would keep them from complete ruin, and in doing so help halt the economic and social decline that was sweeping the nation. Not yet recognizing the wisdom of such a move, the government nevertheless understood that help was needed and until 1935 carried on large scale buying operations as a means of stabilizing a market that would otherwise have soon become completely paralyzed.

It was inevitable too, that during the depression years the Wheat Pool played an active part in the framing of debt legislation, and measures to protect the farmer from foreclosure. Without such measures the huge and increasing burden of farm debt promised to tear apart the social fabric in the province.

Modern Press at Saskatoon, home of "The Western Producer" the farmer's own weekly farm newspaper.
A brand new, fully modern plant



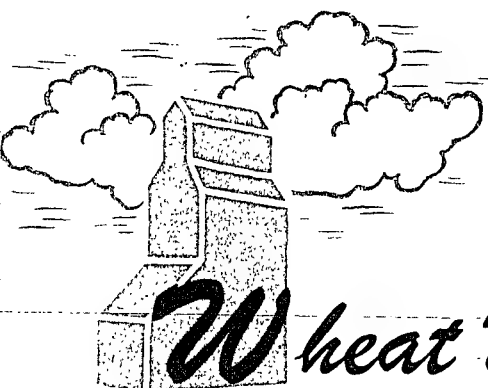


The homeless carriage, with the horses back on the job. This was a common sight in the days of sawdust prices.

Markets and prices for wheat are only one factor in the farm picture, though an important one, and farmers through their Wheat Pool demanded that there be developed a "planned national policy" for Canadian agriculture. This is a goal that has still to be attained, but one on which Canadian farmers are united. Much progress has been made, and final success will be achieved.

As far back as 1927 the three Wheat Pools had expressed their belief in the need for orderly marketing of wheat by international agreement, and it was in 1933 that the first international wheat agreement was negotiated. Driven by a bumper crop and lack of storage facilities, Argentina exceeded her delivery quota in the first year and wrecked the agreement. But the idea persisted, especially in the minds of farmers, who have untiringly urged that such an agreement was the best hope for a stabilized export market in wheat.

Saskatchewan farmers were having a hard time. But things were not as bad as they would have been had there not been a strong, democratic farmers' organization, through which producers could speak with a united voice.

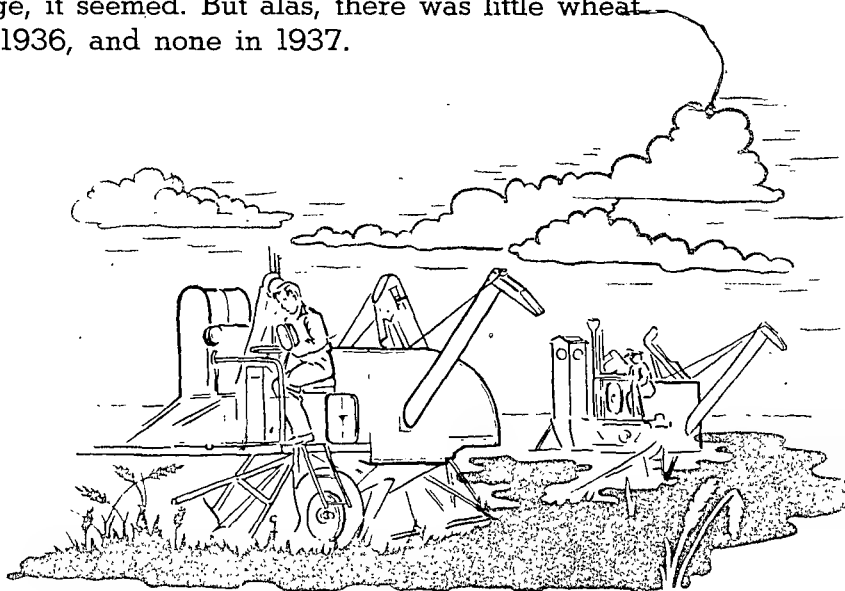


Wheat Board

The constant demands of the Wheat Pools for a National Marketing Agency finally bore fruit in 1935 with the creation of the Canadian Wheat Board. It was a great disappointment when the section of the Act authorizing the Board to act as sole marketing agency was not proclaimed. Instead, the Board stood prepared to buy all wheat offered at a stated minimum price.

Farmers wanted more than a "crutch" to keep the speculative market from foundering completely. They wanted an end to speculation, to be replaced by a definite policy of marketing the entire crop in an orderly, equitable fashion through the Canadian Wheat Board.

A great step forward had been made nevertheless. Then after one year of Wheat Board operations prices began to rise. And up they stayed, well over the dollar mark! Here, for two short years, wheat was bringing a living wage, it seemed. But alas, there was little wheat to sell in 1936, and none in 1937.





One of the individual tests in the Wheat Pool's province-wide Junior Co-operative Program of scientific grain variety research.

The world, Canada included, exhausted its surpluses. The reason was not expansion in markets, but a world shortage of wheat. The absurdity of allowing "surplus" stocks of wheat to force prices far below the cost of production could not be demonstrated more plainly. The joke may understandably have been lost on the farmer, but the lesson was not. And yet the same thing was to happen all over again, for with the crop of 1938 prices once again dropped and the Wheat Board again entered the picture. The next round would not be quite so painful, but it would be no less unreasonable.

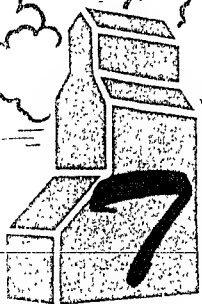
All this time, of course, the Saskatchewan Wheat Pool pursued its many activities of which the demand for better wheat marketing policy was only one part. The Pool Elevator system continued to serve its members, and to save them, directly and indirectly, many millions of dollars. The network of farmer organization throughout the country continued to let its elected representatives know what they wanted, continued to educate itself and its fellow farmers, and continued to help the co-operative movement, which was growing rapidly as depression made the need urgent.

There was continued concern for debt adjustment legislation; for distribution as quickly as possible of the new wheat that was resistant to that great plague—rust. Though the Pool elevator system lost well over a million dollars in 1937, much of the loss represented service given in keeping elevators open to render vital service in drought stricken areas.

In 1936, with the active support of the Saskatchewan Wheat Pool, the Canadian Chamber of Agriculture was formed. This is now known as the Canadian Federation of Agriculture, and recognized as the true, democratic representative of organized farmers throughout Canada.

A Pool Agent, loading a car. His job is an important and responsible one.





The War Years

1938: 80c; 1939: 70c; 1940: 70c; 1941: 70c; . . . these were the initial payments paid to farmers by the Canadian Wheat Board while the economy as a whole went into high gear preparing for war. The stocks of wheat that accumulated were admittedly, even while they depressed the market, one of the most priceless assets in existence for the winning of both the war and the peace. Yet open market prices were not much, if any, better than the initial payments. Injustice apart, the ability of western farmers to continue their vital production of foodstuffs was endangered.

After four years of fruitless appeals for a price for wheat that would bear some relation to its true value, an aroused farm population swung into action, and was joined by the equally aroused members of business, church and government who had watched the steady breakdown of religious and social life, of community services, and of education.



The result, after a series of mass meetings sponsored by the Saskatchewan Wheat Pool, was a delegation to Ottawa of 400 people from every walk of life in the province of Saskatchewan. This delegation, backed not only morally but financially by 185,000 petition-signers, went to Ottawa to demand a fair deal for agriculture, and more specifically, a price for wheat of not less than \$1 a bushel.

The huge job of organization involved in this project could not have been achieved without the existence of an institution such as the Wheat Pool. The delegation did two main things: First, it secured an increase in the initial price to 90c. Second, and more important, it gave an unmistakable demonstration that the demands of the Saskatchewan Wheat Pool for a fair standard of living in Saskatchewan farm homes was no idle thing, but a true reflection of the strongest convictions of Saskatchewan people, on farms, and in towns, villages and cities. The delegation did not solve any problems overnight, but its effects will long be felt, as steady progress continues to be made.

No place to put it. Soon the wartime surpluses would help feed a starving world, but right then it had to go on the ground.

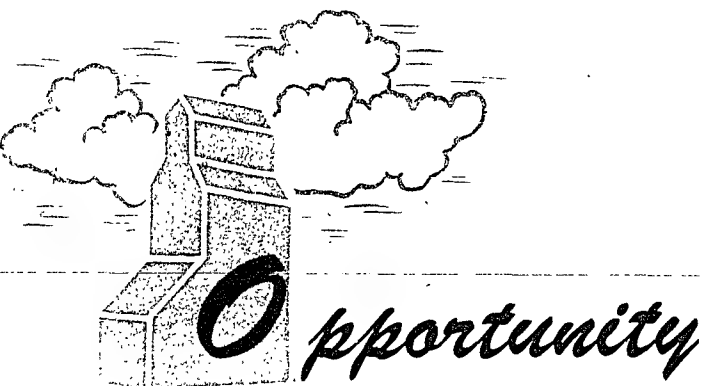


With the returns from handling improved crops, and the added returns from storage of the huge wartime grain surplus, the Pool elevator system showed increased savings to the farmer. These savings amounted to many millions of dollars. Still more millions were saved on deliveries, whether to Pool or non-Pool houses, through the reductions in handling and storage charges that the Pool insisted upon making. In 1944-45 handling charges were reduced to 1c per bushel.

On September 27, 1943, speculation in Canadian wheat took place on the Winnipeg Grain Exchange for what it may be hoped was the last time. The next day the market was closed and it has remained closed to the present day. The farmers of western Canada noted this development with satisfaction. The elimination of speculation in grain is the first requirement for a successful agricultural policy. The Canadian Wheat Board has continued to market all western wheat because farmers have asked for, and obtained, marketing policies based upon stability and co-operation—marketing policies in which speculation has no place.

It was during the war years that another milestone was reached in the history of the Wheat Pool. Since 1927 there had been in existence a co-operative livestock marketing agency—Saskatchewan Co-operative Livestock Producers Limited. The memberships of this organization and of the Wheat Pool were to a considerable extent the same. In 1944, for purposes of efficiency and effective country organization, the two joined forces. Saskatchewan Co-operative Wheat Producers Limited became Saskatchewan Co-operative Producers Limited. The name of the livestock organization was used for the livestock subsidiary set up as a mate to Saskatchewan Pool Elevators Limited, the grain handling subsidiary.

Through Saskatchewan Co-operative Livestock Producers Limited, livestock producers can market with the assurance that their livestock is sold by their own agents, for the best possible price. A province-wide system for livestock shipping is maintained, and in addition the Livestock Pool owns public stockyards at Regina, Swift Current and Yorkton.



The war's end brought new opportunities and new challenges.

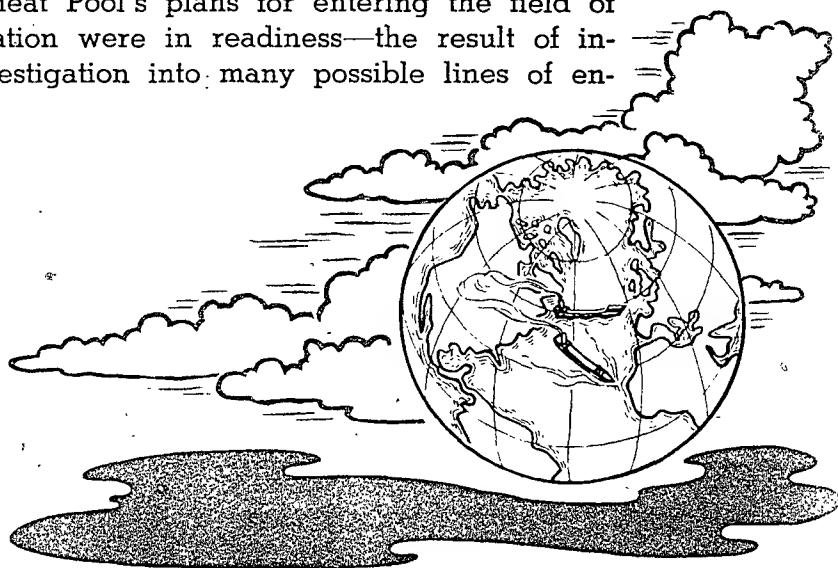
Wheat was being marketed entirely by the Wheat Board, and the way was clear to reestablish the peacetime wheat trade on new and secure foundations of international agreement.

The British market was being supplied with many farm products on the basis of forward contracts, establishing a sound precedent.

An Agricultural Prices Support Act gave the federal government power to prevent declines of farm prices to below profitable levels, in the postwar period,—a good beginning to a constructive national policy for agriculture.

Canadian farmers were strong and united as never before through the Canadian Federation of Agriculture.

The Wheat Pool's plans for entering the field of industrialization were in readiness—the result of intensive investigation into many possible lines of endeavour.



People were more keenly aware than ever before of the fact that there was not enough food in the world, and would not be for many years. "Surpluses," if they were allowed to develop, would not be real, but man-made.

The farmers of Saskatchewan stood as firmly as ever behind their Wheat Pool organization.

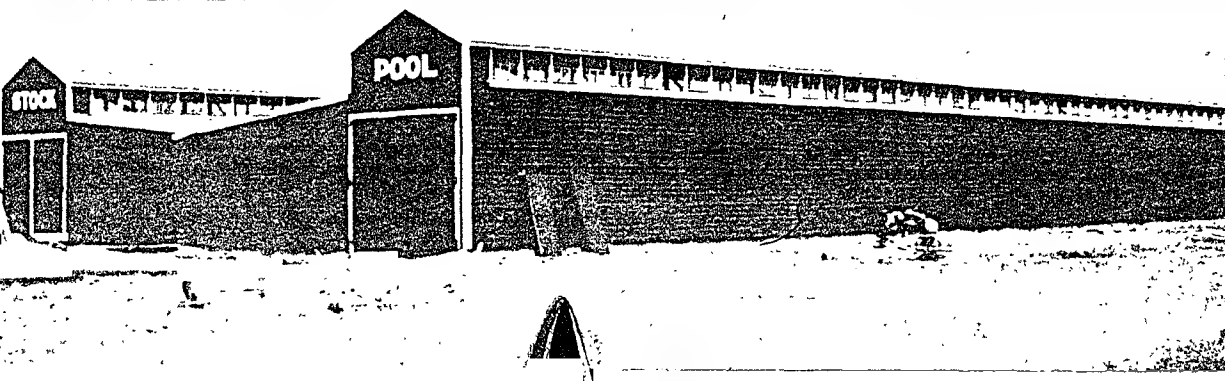
The post-war record shows that the challenges are being met.

Putting their support behind the British Wheat Contract, as an interim stabilizing measure, western farmers set their sights on a truly International Wheat Agreement. After long negotiation, and many disappointments, such an agreement is now a reality, thanks in no small part to the steady support of western farmers, working through their Wheat Pools.

The return of oats and barley to uncontrolled trading roused a storm of protest among farmers—grain growers and livestock feeders alike. A few months later the Dominion Government amended the Wheat Board Act to give the Board authority to act as the sole marketing agency for Western coarse grains, but said it would not take action without enabling legislation from the three prairie provinces. All three passed such legislation and the Wheat Board has now assumed its new functions.

A National Marketing Act has been passed to allow provincial marketing schemes to expand their operations to a national scale,—another step forward, achieved by the persistent efforts of organized agriculture.

A view of the new Livestock Pool stockyards at Swift Current. Like all Wheat Pool facilities—built to give service at cost.

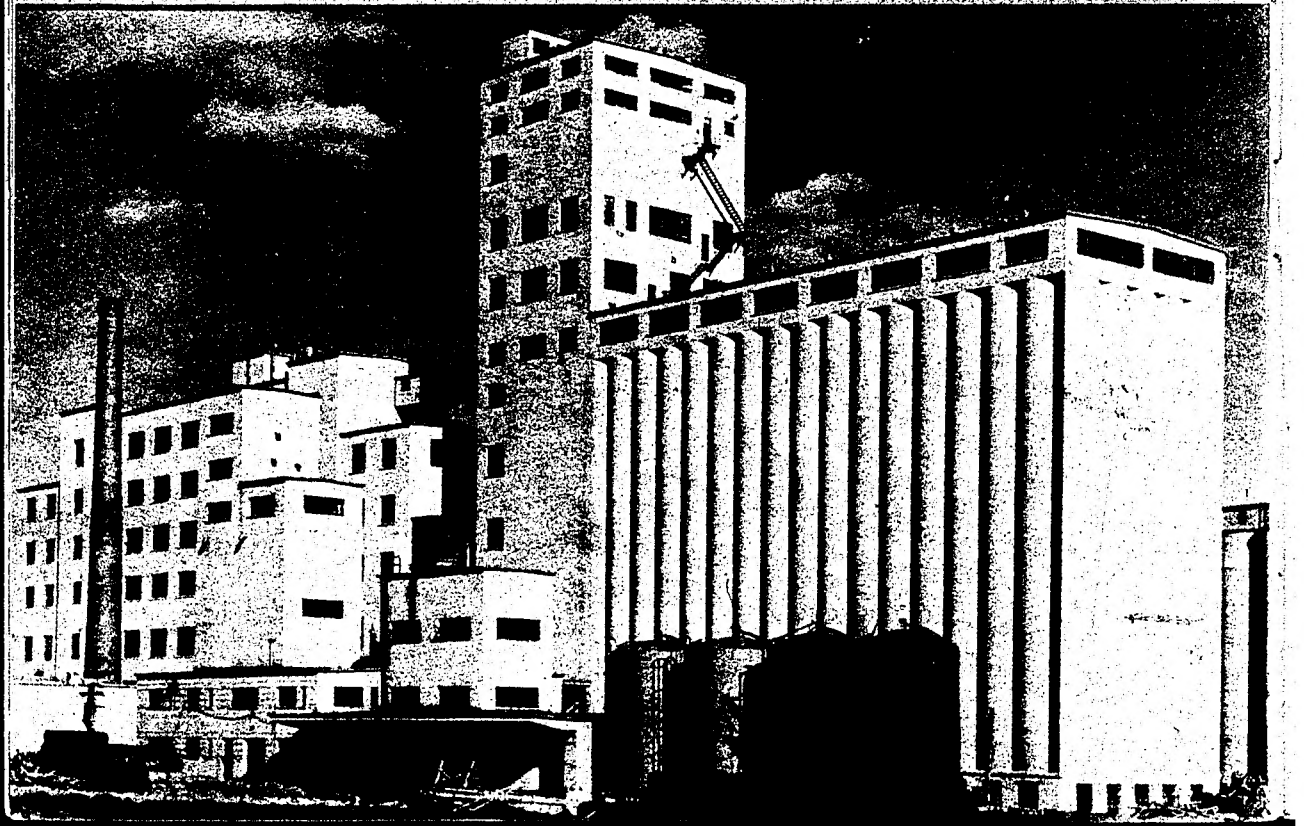


In the business field, opportunities were grasped and an old ambition realized, with the building of the Saskatchewan Wheat Pool's 1,000 barrel flour mill—a logical step forward for the co-operative movement in Saskatchewan. Tying in well with the flour mill is the vegetable oil extraction plant that stands alongside. In this new industrial activity, the co-operative wholesales play their part as distribution agencies for both plants.

Thus the co-operative movement has given new evidence that it is all one in spirit and in aims, whether the particular activity be marketing, oil refining, retailing, wholesaling, processing, or provision of credit.

In recognition that the need for international co-operation, though not new, is more urgent than ever before, the organized farmers of 20 countries have formed a world Federation of farmers. After three years discussion of common experiences, and common problems, it is clear that though they talk with many tongues the world's farmers all "speak the same language."

The Wheat Pool's latest venture. The new flour mill at Saskatoon, with the smaller vegetable oil plant in the foreground.





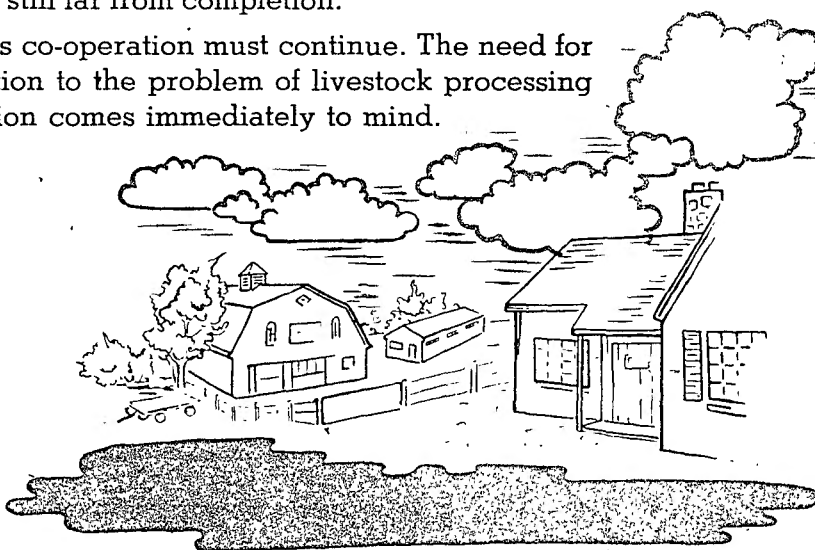
But much remains to be done, and as the months go by it becomes ever clearer that the world cannot return, even if it would, to old ways of doing business. A new world of peace and freedom from want can be built, but it will take vision, imagination, and courage. Farmers have their stake and their responsibility in this task.

World co-operation in the job of feeding the world and keeping agriculture healthy must go on, and progress must continue in the direction so clearly pointed by the International Wheat Agreement.

The great job of democratic self-education which farmers have done through their Wheat Pool country organization must go on, since this is the well-spring of the Wheat Pool's vitality, and the source of its authority.

A sound, overall national policy for Canadian agriculture is still far from completion.

Producer's co-operation must continue. The need for a better solution to the problem of livestock processing and distribution comes immediately to mind.

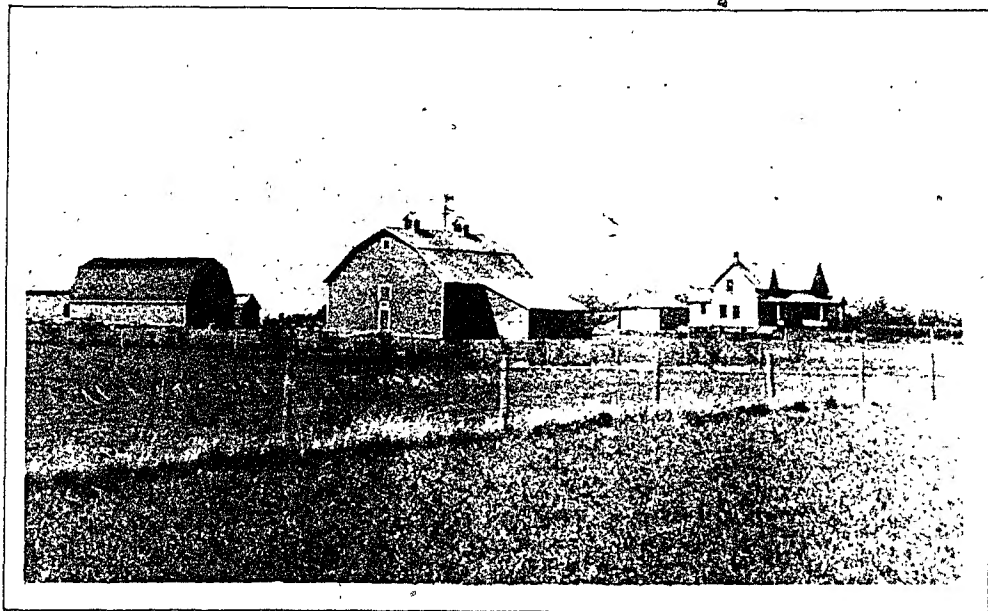


The soil must be conserved and there must be no interruption in the steady improvement of the ability of agriculture to produce the food that the world so badly needs.

New opportunities for co-operative service in the industrial processing of farm products will be an ever-present possibility, to be closely watched by the membership of the Wheat Pool.

The Pool elevator system, for so long the foundation rock of the whole Wheat Pool organization, must continue and improve its service to the membership.

THE SASKATCHEWAN WHEAT POOL IS AN EXAMPLE OF WHAT FREE PEOPLE CAN ACCOMPLISH, IN FAIRNESS AND DIGNITY, BY APPLICATION OF THE DEMOCRATIC PRINCIPLES OF CO-OPERATION. THE PROBLEMS OF THE NEXT 25 YEARS WILL BE GREAT, BUT NOT GREATER THAN THE DETERMINATION OF FARMERS TO SOLVE THEM IN THE LIGHT OF THOSE PRINCIPLES.



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